

ANGUS COUNCIL

ECONOMIC DEVELOPMENT COMMITTEE

20 NOVEMBER 1997

SUBJECT: ANNUAL CONFERENCE OF THE UK OBJECTIVE 5(B) PARTNERSHIP

REPORT BY DIRECTOR OF PLANNING, TRANSPORT & ECONOMIC DEVELOPMENT

Abstract: This report summarises the content of the third annual conference of the UK 5(b) Partnership in Builth Wells, Powys on 10/11 July 1997. The conference was attended by Councillor Alex Shand and the European Officer. Committee report 619/97 refers.

1 RECOMMENDATION

1.1 It is recommended that the Committee -

1. notes the content of the report and in particular the conference conclusions; and
2. supports Angus Council's continued participation in the Partnership as a means of lobbying for continued European Union funding for rural Angus.

2 INTRODUCTION

2.1 The third annual conference of the UK 5(b) Partnership convened on 10/11 July 1997 at the International Pavilion on the Royal Welsh Showground in Builth Wells, Powys. This was attended by Councillor Alex Shand and the European Officer.

The conference sought to focus on the following issues:

- the development of a rural policy for Europe post-Cork (the EU sponsored conference on Rural Development held in Cork, Ireland in November 1996)
- to provide the agricultural sector with a vehicle to give views on their perspective regarding rural development
- to identify areas of action for the partnership arising from the publication of the Santer I package on 16 July.

3 BACKGROUND ON THE 5(B) PARTNERSHIP

3.1 The UK Local Authority 5(b) Partnership is a network of Local Authorities throughout the UK which are eligible for Objective 5(b) funding from the European Union. There are, at present, 35 member Councils. The objectives of Partnership are:

- to strengthen the voice of rural areas through advocacy work undertaken in partnership; and

- to increase the operational effectiveness of officers by providing opportunities to network and for the exchange of experience and information.

3.2 The Partnership aims to:

- provide a forum for elected members of the Local Authorities to discuss issues relating to 5(b) funding
- provide a formal and informal network of officers of Local Authorities involved in the planning, delivery and monitoring of 5(b) programmes
- act as a political lobby instrument with the EU Parliament, Commission and other institutions in the interest of rural areas in the UK
- act as a lobby instrument with the UK national government and other UK institutions
- argue for the allocation and retention of adequate Structural Fund resources for the 5(b) areas
- liaise with 5(b) interests in other EU Member States

4 CONFERENCE AGENDA

- 4.1 The Conference was opened by Councillor Evan Morgan, the Chairman of Powys County Council and the agenda for the conference was outlined by Councillor Allan Baldwick the Convener of Dumfries and Galloway Council (Dumfries and Galloway Council currently provide the secretariat for the Partnership).

Councillor Baldwick gave a resume of the work of the Partnership to date in raising the profile at Commission level of the issues confronting rural areas. The partnership through its contacts with the Commission and Commissioner Fischler is seen as having a key role in influencing the evolution of a European Rural Policy (a debate which was very much kick-started by the Cork Conference).

- 4.2 Councillor Baldwick went on to remind the conference that rural policy and rural development will be heavily influenced by the forthcoming review of the Structural Funds and the impending reform of the Common Agricultural Policy (CAP). In this regard the conference benefited greatly from contributions by John Lloyd Jones of the Welsh National Farmers Union and Franz Fischler (EU Commissioner for Agricultural and Rural Development). Commissioner Fischler gave some insight as to the content of the Santer I package which was not published until after the Conference. This document (now available) sets out the Commissions proposals for the EU post-2000 including enlargement and Structural Fund reform.

Commissioner Fischler took the opportunity after his presentation to formally launch the trans-national European 5(b) Network.

4.3 The Future Of Rural Communities In Europe

Professor John Bryden, Arkleton Centre for Rural Development Research, University of Aberdeen also made a presentation on the future of rural communities in Britain.

He outlined the key issues, which in his opinion are presently afflicting rural areas. In brief these were summarised as:

- decline in agricultural employment
- increase in dependence on manufacturing and services
- increase in female employment
- increase in unemployment (particularly in France, Portugal and Spain)
- demographic change, ageing population structure
- new demands on rural space
- increase in personal transport
- social change in the city leading to a population shift to rural areas
- increase in emphasis on market economics
- internationalisation of trade
- reductions in subsidies
- impact on fiscal measures being implemented to meet EMU criteria.

Professor Bryden went on to emphasise the diverse nature of the rural economy, and the changes in societal structure that has taken place in the recent past. He agreed for a flexible approach to developing support structures, if rural areas are to remain viable in the long-term. He also observed that the Commission was moving, albeit slowly, to an integrated, bottom-up approach to rural policy development. But that differences of opinion have emerged between European Directorates as to the direction of future Structure Fund policy.

- 4.4 He also speculated about the Santer I package (about to be published) suggesting that three new objectives will replace the present six. The possibility of an environmental objective being introduced to cover the whole of the EU was also suggested. Three objectives suggested were as follows:

Objective 1

The present Objective 1 areas.

Objective 2

Areas suffering structural adjustment, rural and urban including fishing areas in crisis.

Objective 3

Human Resource development.

There is also the possibility of an environmental objective which would cover the whole of the EU.

4.5 The Role Of Agriculture Beyond Cork - John Lloyd Jones Obe, Chairman Of NFU, Wales

The speaker began by reminding conference that 30 years ago wild flowers were called weeds. This was a way of stating that priorities in agriculture had changed from the primary thrust of production maximisation in the post war years to a more enviro-friendly multi-functional agricultural system today. Conference was however reminded that farmers still want to produce food and crops. This point was returned to later by the speaker when he reminded delegates that for Agri-environmental schemes to be embraced by the farming community and for them to work there had to be saleable product at the end of the scheme. This had the additional advantage of stimulating local business diversification and the possibility of adding value to products locally and of job creation.

This topic, of agricultural diversification and of business development in the rural areas to meet the needs of rural areas by capitalising on local assets, formed the major part of Lloyd Jones' presentation.

He also reminded the meeting that farmers and agricultural production are central to the continued well-being of the countryside. In this sense the farmers need to be; and want to be involved in the debate on any rural policy. Farmers recognise that change is coming and that the only way they can influence the outcome of this change is to become proactively involved in the process.

4.6 Workshop Discussion - The Future Of Rural Regions In Europe - Some Mutual Concerns Of Local Authorities, Farming And Food Industries (Copy Attached)

Discussion in the workshop attended focused on the possible content of the Santer I package and particularly on how eligibility for future EU funding would be defined and the possible eligibility indicators that would be used. Debate also focused on how the partnership could influence the decision making process on selection of eligibility criteria and of geographical eligibility itself.

The outcome was that the Partnership ought to undertake an audit of rural indicators which could be used comparably (at EU and Member State levels).

4.7 Franz Fischler, EU Commissioner For Agriculture And Rural Development - Rural Policy In Europe Beyond Cork

Herr Fischler opened by admitting that what he would say was constrained by the fact that the Santer I package would not be published until a later date. He stated that one of Europe's strengths was its diversity and that the rural areas are an essential part of this tapestry. He felt that rural areas have become multi-functional, contributing to society as a location for agriculture, forestry, tourism etc, as well as a place to live and as a vital resource in helping to maintain bio-diversity and ensuring a balanced ecology.

However he remarked that the rural areas are under threat from a number of factors including:

- liberalisation of world markets
- age imbalance in the farming community
- depopulation
- poor provision, and access to, services, education and training
- poor access to job opportunities

He argued that rural society must be kept as a fundamental part of the European model and the key sectors must act proactively to promote its well-being. He felt that such a policy to promote rural development must be based on the following principles:

- decentralisation/subsidiarity
- an integrated holistic approach
- partnership and co-operation
- realising local potential
- innovation.

In this regard he felt that the UK 5(b) Partnership is an excellent model. He welcomed, in this connection, the development of an enlarged partnership across Europe and suggested that the development of a rural policy must ensure that:

- agriculture will have to rely less on price support mechanisms as a means of income generation;
- adjustment to world markets must neither be disruptive nor threaten the viability of the rural areas;
- the rural and agricultural economies must be diversified;
- the environment must be protected;
- environmental management must be promoted;
- a closer link must be developed between the CAP and any rural development policy;
- existing aids and support measures must be integrated to engender synergy; and
- use of information technology must be maximised and effective communication ensured.

4.8 Herr Fischler's presentation was, as admitted, constrained by the emerging Santer package. He did however, during questioning:

- call on the 5(b) Partnership to lobby Brussels for an integrated EU rural policy and a single financing package;

- allude to 3 objectives replacing the present 6;
- allude to a decision on the part of the Commission for greater subsidiarity; and
- note the Commission's support for regional Programming.

4.9 Conclusions Of Objective 5(B) Conference

- It is important not to concentrate just on establishing a close relationship with Commissioner Fischler, indeed the meeting with Commissioners Mathies and Flynn was critical.
- It is important to undertake the audit of rural indicator research currently underway and to develop views on rural indicators and communicate them to UK Government, EC:DGVI, transnational partners and MEPs.
- It is important to provide advice to UK Government, EC:DGVI and MEPs on what an "integrated rural policy" should be.
- It was noted that once the Santer budget package was published, the key focus for influence would be the December meeting of the European Council when the budget will be agreed.
- Planning for how to influence the next IGC in 5 years time was essential to strengthen the references to rural policy for which a long term strategy is vital.
- Care needed to be exercised in developing the 5b partnership beyond 5b issues and the rural context, eg rural areas not having 5b status, and the wider partnership.
- The mutual concerns paper would need to be reviewed in the light of the Santer budget (see Appendix 1).
- Other Member State regions are supportive of the work of the Partnership and wish to build on their relationship.
- An input into the work of the Committee of the Regions on rural areas should be considered.
- It would be sensible to establish a Work Plan for the Partnership for the next 12 months and identify the critical points (copy attached in Appendix 1).

5 **FINANCIAL IMPLICATIONS**

- 5.1 There are no financial implications arising from the report.

6 **CONSULTATION**

- 6.1 The Chief Executive and Directors of Law and Administration and Finance have been consulted and are in agreement with the terms of this report.

7 CONCLUSION

- 7.1 As noted in the report and highlighted by Commissioner Fischler, the UK 5(b) Partnership has played a key role in influencing EU rural policy to date. It is vital post Santer I that the voice of the rural areas, including Angus, continue to be promoted widely and the UK 5b Partnership is an effective lobbying vehicle. The conclusions of the conference and the subsequent work plan illustrates that the partnership is geared up to participate fully in this debate.
- 7.2 The views and aspirations of Angus in this debate will be ensured via its continued membership of the UK 5(b) Partnership, (Article 14 of Minute of Meeting of 29 May 1997 refers) and officer involvement on the Partnership's Technical Users' Group.

NOTE

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973, (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.

AA/DV/GS/MR

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